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FM AMEMBASSY SANTIAGO
TO RUEHC/SECSTATE WASHDC 5060
INFO RUEHAC/AMEMBASSY ASUNCION 4019
RUEHBO/AMEMBASSY BOGOTA 2447
RUEHBU/AMEMBASSY BUENOS AIRES 1536
RUEHBR/AMEMBASSY BRASILIA 0951
RUEHCV/AMEMBASSY CARACAS 2132
RUEHPE/AMEMBASSY LIMA 6231
RUEHMN/AMEMBASSY MONTEVIDEO 4444
RUEHQT/AMEMBASSY QUITO 2427
RUEAIIA/CIA WASHDC
RHEFDIA/DIA WASHDC
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SUBJECT: CHILE MEDIA REPORT - JUNE 15

Leading Stories

1. Chile has 2,335 confirmed cases of AH1N1, but only two deaths. The Health Ministry informed that it will stop the daily count of cases and will now issue reports only on Tuesdays and Fridays. President Bachelet signed the Health Emergency Decree that empowers the Ministry of Health special measures to treat the outbreak.

U.S.-Related News

2. Senate Finance Committee Chairman Max Baucus and Senator Chuck Grassley introduced a bill to eliminate a subsidy paid to cellulose producers. "Contrary to the intention of the law, cellulose producers have been adding diesel to black liquor to qualify for loans given to those who use fuels based on biomass," says the bill. This backs the position taken by Chile's forestry sector, which has urged Bachelet to include the topic in her discussion with President Obama in Washington this month (El Mercurio, conservative, influential newspaper-of-record (circ. 129,000, 6/15)).

3. Minister of the Environment Ana Lya Uriarte received a letter from Secretary Clinton thanking her for attending the Antarctic Consulting Meeting and for Uriarte's present when both met in April (La Segunda, conservative, afternoon, circ. 33,000, 6/12).

4. Photo coverage of the seminar, "Legacy of Family Businesses in Society," organized by the Santiago Chamber of Commerce, University Alberto Hurtado, and sponsored by the David Rockefeller Center for Latin American Studies. Special guest was Harvard University scholar Charles Collier (El Mercurio, 6/15).

5. At a meeting of Home Depot shareholders in Miami, Gary Hughes, of the organization "Patagonia without Dams," questioned Home Depot for its ties with Chile's Matte Group. Matte supplies Home Depot with retail wood products and is one of the owners of Hydroaysen, which plans to build several dams in Chile's Patagonia (La Tercera, conservative, independent, circ. 101,000, 6/14).

6. In remarks to the Chilean Council for International Relations, Foreign Affairs Minister Mariano Fernandez underscored the "level of trust and mutual respect," between Chile and the United States and highlighted the Chile-California Partnership (El Mercurio, 6/15)

Bachelet's Trip to the United States

7. President Bachelet will arrive in Washington, D.C., on June 23, to meet with President Obama. The next day she will meet with Vice

President Jose Biden, speak at the Brookings Institute, call on OAS Secretary General Jose Miguel Insulza, and visit the Panamerican Health Organization (PAHO) to discuss Chile's efforts in combatting the expansion of human influenza. During her visit, both countries will sign a memorandum of Understanding on renewable energy (Diario Financiero, business and financial, circ. 30,000, 6/15).

¶8. "The fall of Lehman Brothers marked a point of inflection.... Some foresaw the death of capitalism.... The more serious ones did not go so far and predicted essential changes while others noted Anglo-Saxon capitalism had reached its end.... The arrival of Obama -- young, progressive, Afro-American -- to the White House seemed to fulfill that prognosis.... But three months into Obama's office, one simple conclusion can be drawn: the new administration will push for very important changes, but these will not change the essence of the U.S. capitalist system" (Economist Sebastian Edwards, La Tercera, 6/14).

Nuclear Energy-Alternative Energy

¶9. Rafael Guilisasti, chairman of the most important business organization in the country, CPC, said Chile cannot progress without adding nuclear energy into the energy matrix. He called on the government to move from research to concrete actions; that all presidential candidates take a stance on the topic; and Congress generate a national consensus on the development of nuclear energy. Guilisasti said that while hydroelectricity meets the energy demands in the south, the lack of water in the north, where most mining companies are located, calls for alternative energy sources that must include nuclear reactors (La Tercera, 6/14).

¶10. All presidential candidates agree that nuclear energy must be considered as an alternative energy source. Sebastian Pinera has been looking primarily into eolic, geothermal, and solar energy. In January he said that all forms of energy must be considered. Marco Enriquez-Ominami said that although his priority is to encourage the development of non-conventional renewable energies, he believes there must be a national debate on nuclear energy. Eduardo Frei's position is that nuclear energy has a "strategic element," whereby Chile must have nuclear reactors if its neighbors do (La Tercera, 6/15).

Chile-Iran

¶11. Chile's decision not to open a diplomatic mission in Iran since 1989 is due to U.S. pressure, said diplomatic sources. In 1998, Chile voted against Iran in the U.N. Human Rights commission at the request of the U.S. Ambassador in Santiago; Iran closed its Embassy in Santiago a week later. Chile had rights to explore oil fields in that country and, therefore, in 1999, tried to organize a commercial mission to Teheran, but failed. Iran reopened its Embassy in Santiago in 2006, but to date the GOC has not appointed an ambassador (La Tercera, 6/14).

Chile-Peru

¶12. Chilean and Peruvian army officials will meet in late June. This will be the first reunion since Peru filed a maritime border claim in March against Chile with The International Court at The Hague. Santiago is downplaying the upcoming meeting, but Lima sees it as a chance to lower tension between the two armies, especially after Peruvian congressmen criticized Chile's military acquisitions (La Tercera, 6/13).

Chile-Economy

¶13. Wall Street experts believe the time is right for Chile to issue its first sovereign bond, the first in five years (El Mercurio, 6/13).

Enriquez-Ominami

¶14. Interview on different topics with presidential candidate Marco Enriquez-Ominami: "I don't believe the Concertacion as it stands today represent the idea on which it was founded.... It was right for Chavez to close RCTV, because the station had loaned itself to unacceptable practices, but I could not disagree more with Chavez' expulsion of (Human Rights Director) Jose Miguel Vivanco.... Fidel

Castro showed that it's possible to withstand a U.S. embargo, but today he is a man of the past" (El Mercurio, 6/14).

Digital Television

¶15. Staff writer with the acronyms MOJ: "It's an important technical landmark that the world's first power and most important economy went from analogous to digital television.... We have yet to see how the 2.8 million American homes that don't have the required decoding box will jump on the wagon.... Nevertheless, it's a historic day.... There will be more television... but will there be better television? That, my dear reader is an entirely different matter" (La Tercera, 6/13).

¶16. "Digital Television and Common Good," by Catholic University professor Sergio Godoy: "Digital television has been around for some time. There are the DVDs and the fact that most paid television (cable and satellite) air on digital transmissions, and that traditional stations produce all their programs on digital. Why then don't we have digital TV? All receivers in Chile are analogous.... Experience in advanced countries such as England or Japan suggest that the television of the future... must still be for the common good.... By this I mean... better TV (more interactive, more stations, better images, more interesting content) with more local production and better content. Will our congressmen be able to square that circle?" (La Tercera, 6/15)

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